Ohio Medicaid seeks proposals for single pharmacy benefit manager

Single system will improve and build on administration efforts to increase transparency and financial accountability in Ohio Medicaid’s pharmacy program

COLUMBUS, Ohio — The Ohio Department of Medicaid (ODM) today released a request for proposal to move the agency’s managed care program to a single pharmacy benefit manager (SPBM). Once implemented, Medicaid’s pharmacy benefits strategy will ease provider administrative burdens, reduce operational costs and strengthen the state’s fiscal oversight of this vital health care benefit.

Currently, each of Ohio Medicaid’s six managed care organizations (MCOs) contracts with one or more pharmacy benefit managers (PBM) to manage prescription drug benefits. As a result, health care providers are subject to meeting unique, time-consuming processes required by each MCO to prescribe important, and sometimes life-sustaining, medications.

“Moving to a single pharmacy benefit manager that partners with Ohio Medicaid will improve management and administration of pharmacy benefits for our members participating through an MCO,” said Maureen Corcoran, director of ODM. “Along with introducing a unified preferred drug list at the beginning of the year, the move to a single pharmacy benefit manager is another important step in providing quality care for our members, transparency in operations, and responsible stewardship of Ohio taxpayer dollars.”

In 2019, the Ohio General Assembly mandated, and Governor DeWine signed into law, the selection of an SPBM in the state’s fiscal year 2020-2021 biennial budget. Work to date on SPBM development has included a robust stakeholder engagement process. The agency also invested resources to work with federal regulators to certify the program, thereby securing enhanced federal matching funds that will save Ohio taxpayers as the program evolves. Certification allows Ohio Medicaid to receive a 90% federal match for costs incurred to build the program, and a 75% federal match for operational sustainment costs. The time needed to gain certification will be offset during transition and does not affect the Department’s timeline.

The request for proposal is posted until September 4, 2020.

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